

Financial Performance Model of Local Economic Enterprises in Matalam, Cotabato

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Abstract : The State Owned Enterprise (SOE) or also called Public Enterprise (PE) has been playing a vital role in a country's social and economic development. Following this idea, this study focused on the Factor Structures of Financial Performance of the Local Economic Enterprises (LEEs) namely: Food Court, Market, Slaughterhouse, and Terminal in Matalam, Cotabato. It aimed to determine the profile of the LEEs in terms of organizational structure, manner of creation, years in operation, source of initial operating requirements, annual operating budget, geographical location, and size or description of the facility. This study also included the different financial ratios of LEE that covered a five year period from Calendar Year 2009 to 2013. Primary data using survey questionnaire was administered to 468 respondents and secondary data were sourced out from the government archives and financial documents of the said LGU. There were 12 dominant factors identified namely: "management", "enforcement of laws", "strategic location", "existence of non-formal competitors", "proper maintenance", "pricing", "customer service", "collection process", "rentals and services", "efficient use of resources", "staffing", and "timeliness and accuracy". On the other hand, the financial performance of the LEE of Matalam, Cotabato using financial ratios needs reformatting. This denotes that refinement as to the following ratios: Cash Flow Indicator, Activity, Profitability and Growth is necessary. The cash flow indicator ratio showed difficulty in covering its debts in successive years. Likewise, the activity ratios showed that the LEE had not been effective in putting its investment at work. Moreover, profitability ratios revealed that it had operated in minimum capacity and had incurred net losses and thus, it had a weak profit performance. Furthermore, growth ratios showed that LEE had a declining growth trend particularly in net income.

Keywords : factor structures, financial performance, financial ratios, state owned enterprises

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